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10 June 1964

TO : CES

FROM : FE

SUBJECT: Comments on Research Program of
Military-Economic Research Area for
Fiscal Year 1965

1. This would be a good opportunity to try once again to get ORR to put some more manpower on Chicom military matters. You will recall that, after considerable pressure, ORR put a man on the Chicom Military Establishment NIE; but that was a one-shot deal and he is now back to his former duties.

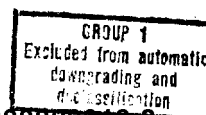
2. Of the rather large number of projects scheduled only these have any bearing on China:

- (a) Contribution to NIE on Chicom Advanced Weapons Program
- (b) Surface-to-Air Missile Program in China
- (c) Quarterly estimates of aircraft production in Communist countries (usually not a detailed study of the plans, prospects, etc. of the industry)
- (d) Three estimates on production, acquisition and value of naval ships in the Bloc.

Of these (a) and (b) are fine, but it is our guess that for (c) and (d) China will get short sift.

3. We know that ORR has argued that there isn't enough information on China to warrant the expenditure of manpower.

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Granted there is precious little to go on but even the information that is available on some important topics is not systematically and thoroughly analyzed. We strongly urge that ORR at least undertake an "exploratory project" (their term) that would make a stab at determining what the Chicoms are striving for in their defense industries -- i.e., defense vs. offense; ground vs. air; advanced vs. conventional, etc.

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